# EXHIBIT 4

14 February 2007
Europe/Germany
**Equity Research**
Biotechnology (Biotechnology & Biopharmaceuticals) / OVERWEIGHT

CREDIT SUISSE

# GPC Biotech (GPCG.DE)

| | |
|---|---|
| Rating | **OUTPERFORM*** |
| Price (13 Feb 07) | 22.60 (Eu) |
| Target price (12M) | 25.00 (Eu) |
| Market cap. (Eu m) | 751.74 |
| Enterprise value (Eu m) | 751.74 |

** Stock ratings are relative to the coverage universe in each analyst's or each team's respective sector.*

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**CATALYST ALERT**

## Two catalyst points due next week

- **Catalyst:** We anticipate 2 catalyst events for GPC Biotech next week;

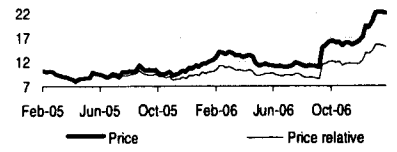
(1) The presentation of (further) selective data from Satraplatin's pivotal SPARC trial at the ASCO Prostate Cancer Symposium on Friday 23 February.

(2) The completion of the NDA filing (previously guided for "by the end of January").

We expect even further (and probably the bulk) of data from the SPARC trial to be presented at the main ASCO meeting (1-5 June 2007).

- **View:** We think these events will remind investors of the potential of Satraplatin and could drive significant near term stock price performance. GPC Biotech remains one of our key picks within our biotech coverage universe and in particular, we highlight the underappreciated potential of Satraplatin in 1st line HRPC (as detailed in our note 05 January 2007). GPC biotech remains a rarity in the European biotech space, with a (US) un-partnered drug with significant market potential (we estimate Satraplatin peak sales of €680m in 2014 with further upside from more extensive 1st line HRPC usage, as well as use in other tumour types, with radiation therapy and in combination with other agents) and a potential H2:07 launch (assuming a priority review).

**Share price performance**




*The price relative chart measures performance against the Europe Dow Jones Stoxx index which closed at 410.24 on 13/02/07*
*On 13/02/07 the spot exchange rate was Eu 0.77 /US$1*

| Performance over | 1M | 3M | 12M |
|---|---|---|---|
| Absolute (%) | 11.7 | 41.7 | 86.6 |
| Relative (%) | 9.2 | 33.8 | 58.1 |

**Financial and valuation metrics**

| Year | 12/04A | 12/05A | 12/06E | 12/07E |
|---|---|---|---|---|
| Revenue (Eu m) | 12.6 | 9.3 | 22.0 | 27.6 |
| EBITDA (Eu m) | — | — | — | — |
| Net income (Eu m) | -39.7 | -62.2 | -63.0 | -61.7 |
| CS adj. EPS (Eu) | -1.59 | -2.08 | -1.92 | -1.87 |
| ROIC (%) | — | — | — | — |
| P/E (x) | NM | NM | NM | NM |
| P/E rel (%) | NM | NM | NM | NM |
| EV/EBITDA (x) | — | — | — | — |

| | | | |
|---|---|---|---|
| Dividend 2005 (Eu) | — | IC (12/06E, Eu m) | — |
| Dividend yield (%) | — | EV/IC (12/06E, x) | — |
| Net debt (12/06E, Eu m) | — | Current WACC (12/06E, %) | — |
| Net debt/equity (12/06E, %) | — | Free float (%) | 83.6 |
| Book value/share (12/05, Eu) | — | Number of shares (m) | 33.26 |

*Source: FTI, Company data, Datastream, Credit Suisse Securities (EUROPE) LTD. Estimates*

Figure 1: **Newsflow expectations for GPC-Biotech**

| Event | TIMING |
|---|---|
| Filing for satraplatin as a 2nd line therapy in HRPC in USA | Feb 07 |
| Presentation of selected data from SPARC trial at the ASCO Prostate Cancer Symposium | 23rd February |
| Spectrum arbitration panel appointed | Mid Feb |
| Spectrum arbitration panel decision | Mid June |
| Presentation of further data from SPARC trial at main ASCO meeting | 1-5 June 07 |
| Filing for satraplatin as a 2nd line therapy in HRPC in EU (via Pharmion) | H1:07 |
| Final overall survival results from SPARC | Q3:07 |
| Satraplatin 2nd line HRPC launch | H2:07 |
| Final results from Phase 1 clinical program for 1D09C3 (25 patient study) | Mid 2007 |
| Satraplatin co-marketing partner (US) | 2007 |
| In license additional products | 2007 |

*Source: Company data, Credit Suisse estimates*

## Reiteration of our view that upside potential from Satraplatin's use in 1st line HRPC is underappreciated

Although there is a clear and understandable focus on Satraplatin's market potential in 2nd line HRPC (as this is the indication upon which the SPARC trial, and thus approval, was/is based upon), however in our view Satraplatin's potential outside 2nd line HRPC is the biggest sensitivity for the drug's commercial potential.

To this extent, GPC has focused investors on the plethora of ongoing phase I/II trials; in combination with established oncology agents, in a boarder range of cancers and its use with radiation therapy (as summarised in Figure 5). Although it is widely understood that off-label use of oncology drugs is more prevalent than any other therapeutic area, it is also clear that significant usage in off-label indications is data and experience driven. Hence, Satraplatin's other putative indications outside of 2nd line HRPC, such as non-small cell lung cancer (NSCLC) and radiation therapy combination (where Satraplatin has just entered phase I or II trials), will only impact its commercial potential in the relative medium term (after data readout, and more so after the indications have been added to the label).

Notwithstanding the generalisations about off-label usage of oncology products/Satraplatin made above, we consider that there is one particular off-label indication that is a near term, and significant, sensitivity for Satraplatin's market potential, that may be underappreciated – namely, Satraplatin's use in 1st line HRPC.

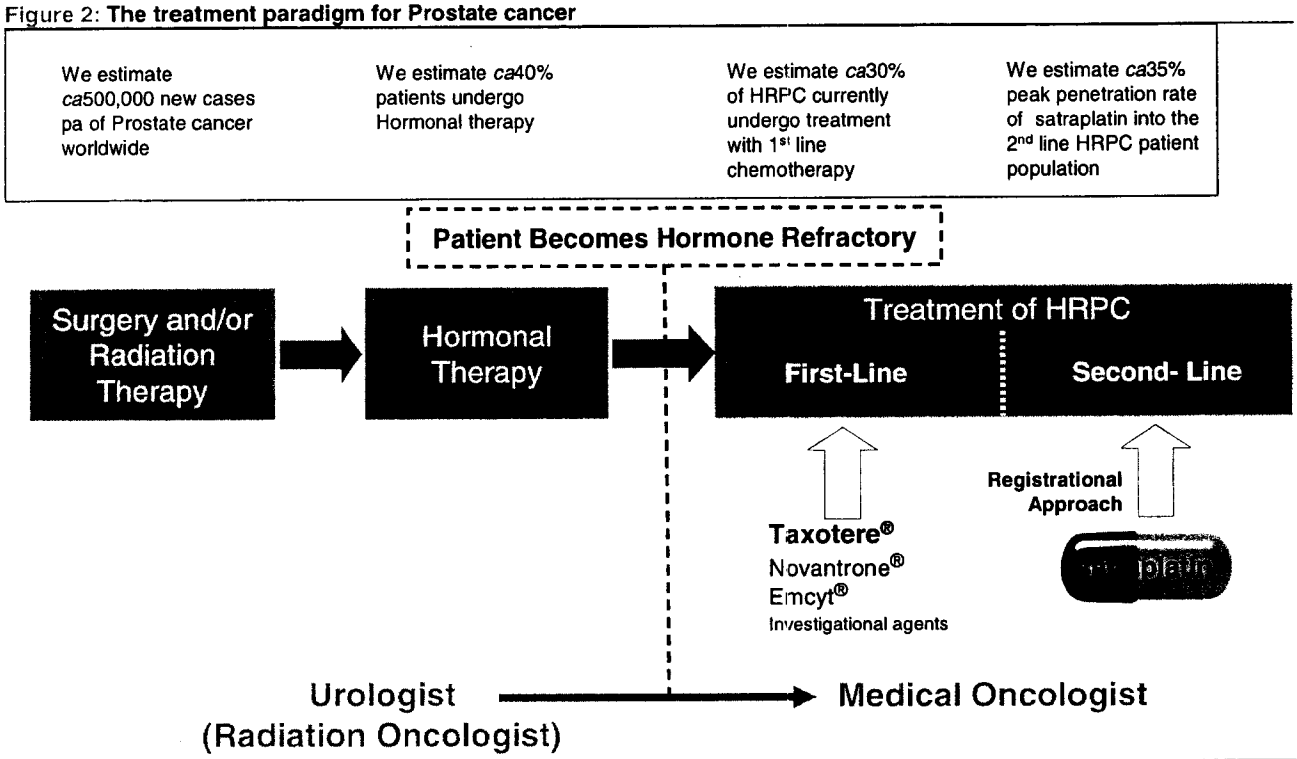
**HRPC –1st line treatment the key sensitivity**

The treatment paradigm for prostate cancer is shown in Figure 2 and our revenue model for Satraplatin is illustrated in Figure 3. Our key observation is that the "off label" 1st line HRPC market is numerically much more significant than the 2nd line HRPC market for Satraplatin and even modest penetration into this market yields significant upside. We estimate around 18-30% of HRPC patients currently undergo treatment with 1st line chemotherapy agents (i.e. Taxotere in the US and Novantrone in the EU). This yields a significant *ca* 50,000 worldwide 2nd line HRPC patient population for Satraplatin that could garner *ca* $450m peak sales (2014) assuming a modest *ca* 31% penetration rate. However, it is notable that on our estimates currently *ca* 141,000 HRPC patients worldwide do not undergo 1st line chemotherapy treatment (almost 3x the size of the 2nd line HRPC market).

We expect the penetration rate of 1st line chemotherapy agents to rise over the next few years (principally driven by Taxotere) to around 41% in the US and 30% in Europe. This is still a relatively modest penetration rate, because, in our view, many patients do not want

to start treatment with Taxotere, due to a poor quality of life/clinical benefit ratio. Recall that Taxotere's pivotal study demonstrated a statistically significant survival advantage of 18.9 versus 16.5 months. In the real world, patients have to balance this extra 2.5 months with the intense dosing regime (IV administration of 75mg/m2 every 3 weeks for 10 cycles) and the severe haematological and neurological side effects associated with Taxotere.

Figure 2: **The treatment paradigm for Prostate cancer**




*Source: Company data, Credit Suisse estimates*

Clearly, if Satraplatin can make even a modest penetration into the numerically larger 1st line HRPC market, then there would be significant upside to its "direct"/on label 2nd line HRPC market opportunity. The oral, once a day administration regime for Satraplatin is obviously a significant advantage over Taxotere's IV administration. Importantly, it is interesting to note that medical oncologists will be the physicians that prescribe both 1st line chemotherapy agents (i.e. Taxotere) as well as Satraplatin for use in 2nd line – hence potential "migration" of Satraplatin's usage to 1st line (off-label) would we aided. With regards to support data for Satraplatin's usage in 1st line HRPC, it is interesting that GPC has not started a specific 1st line HRPC trial for Satraplatin. The company has instead highlighted that the previously reported, 50-patient Phase III Bristol-Myers Squibb conducted trial, EORTC (European Organization for Research and Treatment of Cancer), showed statistical significance with a progression-free survival end-point in the 1st line HRPC setting. The EORTC study was first published at ASCO 2003, and further detailed in an article published in the journal "Oncology" in 2005. The key sensitivity for Satraplatin's penetration into the 1st line HRPC marketplace, in our opinion, is its side effect profile. To this extent, the side effect profile observed for Satraplatin in the EORTC trial was relatively benign. Nevertheless, the full data set from the SPARC trial (the bulk of which is due at June ASCO meeting) will be very important.

Even with the above described modest penetration rates into 1st line HRPC, we estimate this indication could yield peak sales (in 2014) of $231m (which compares to $449m for the 2nd line HRPC indication).

**We estimate $680m peak sales for Satraplatin in HRPC alone**

Our revenue model for Satraplatin in the HRPC indication (alone) is shown in Figure 3 and further summarised in Figure 4.

Figure 3: **Satraplatin in HRPC revenue model**

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **US** | | | | | | | | | | | | |
| Incidence of prostate cancer | 237,510 | 241,073 | 244,689 | 248,359 | 252,084 | 255,866 | 259,704 | 263,599 | 267,553 | 271,567 | 275,640 | 279,775 |
| % patients undergoing hormonal treatment | 40% | 40% | 40% | 40% | 40% | 40% | 40% | 40% | 40% | 40% | 40% | 40% |
| Hormone treated patients | 95,004 | 96,429 | 97,875 | 99,344 | 100,834 | 102,346 | 103,881 | 105,440 | 107,021 | 108,627 | 110,256 | 111,910 |
| % patients refectory to hormone treatment | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% |
| HRPC patients | 90,254 | 91,608 | 92,982 | 94,376 | 95,792 | 97,229 | 98,687 | 100,168 | 101,670 | 103,195 | 104,743 | 106,314 |
| % treated with 1st line chemotherapy agents | 30% | 33.0% | 37.0% | 39.0% | 39.5% | 40.0% | 40.5% | 41.0% | 41.5% | 42.0% | 42.5% | 43.0% |
| Number of 2nd line HRPC patients | 27,076 | 30,231 | 34,403 | 36,807 | 37,838 | 38,892 | 39,968 | 41,069 | 42,193 | 43,342 | 44,516 | 45,715 |
| Satraplatin penetration rate | 5% | 20% | 27% | 32% | 33% | 34% | 35% | 36% | 31% | 8% | 2% | 0% |
| Patients on Satraplatin (2nd line HRPC) | 1,354 | 6,046 | 9,289 | 11,778 | 12,486 | 13,223 | 13,989 | 14,785 | 12,911 | 3,316 | 851 | 219 |
| Cost p/a | 18,000 | 18,360 | 18,727 | 19,102 | 19,484 | 19,873 | 20,271 | 20,676 | 20,676 | 20,676 | 20,676 | 20,676 |
| **US revenues ($m) - 2nd line HPRC** | **24** | **111** | **174** | **225** | **243** | **263** | **284** | **306** | **267** | **69** | **18** | **5** |
| Satraplatin pen' into 1st line HRPC patients | 0% | 1% | 3% | 5% | 6% | 7% | 7% | 8% | 7% | 2% | 0% | 0% |
| Patients on Satraplatin (1st line HRPC) | 226 | 916 | 2,325 | 4,719 | 5,508 | 6,320 | 6,908 | 8,013 | 6,914 | 1,754 | 445 | 113 |
| Cost p/a | 18,000 | 18,360 | 18,727 | 19,102 | 19,484 | 19,873 | 20,271 | 20,676 | 20,676 | 20,676 | 20,676 | 20,676 |
| **US revenues ($m) - 1st line HPRC** | **4** | **17** | **44** | **90** | **107** | **126** | **140** | **166** | **143** | **36** | **9** | **2** |
| **US revenues (total) ($m)** | **28** | **128** | **217** | **315** | **351** | **388** | **424** | **471** | **410** | **105** | **27** | **7** |
| **ROW** | | | | | | | | | | | | |
| Incidence of prostate cancer | 222,955 | 226,300 | 229,694 | 233,140 | 236,637 | 240,186 | 243,789 | 247,446 | 251,157 | 254,925 | 258,749 | 262,630 |
| % patients undergoing hormonal treatment | 45% | 45% | 45% | 45% | 45% | 45% | 45% | 45% | 45% | 45% | 45% | 45% |
| Hormone treated patients | 100,330 | 101,835 | 103,362 | 104,913 | 106,486 | 108,084 | 109,705 | 111,351 | 113,021 | 114,716 | 116,437 | 118,183 |
| % Patients refectory to hormone treatment | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% |
| HRPC patients | 95,313 | 96,743 | 98,194 | 99,667 | 101,162 | 102,680 | 104,220 | 105,783 | 107,370 | 108,980 | 110,615 | 112,274 |
| % treated with 1st line chemotherapy agents | 18% | 21.0% | 25.0% | 25.5% | 26.0% | 26.5% | 27.0% | 27.5% | 28.0% | 28.5% | 29.0% | 29.5% |
| Number of 2nd line HRPC patients | 17,156 | 20,316 | 24,549 | 25,415 | 26,302 | 27,210 | 28,139 | 29,090 | 30,064 | 31,059 | 32,078 | 33,121 |
| Satraplatin penetration rate | | 4% | 16% | 22% | 26% | 26% | 27% | 28% | 28% | 28% | 28% | 28% |
| Patients on Satraplatin | 0 | 874 | 3,928 | 5,490 | 6,733 | 7,183 | 7,654 | 8,145 | 8,418 | 8,697 | 8,982 | 9,274 |
| Cost p/a | 15,300 | 15,606 | 15,918 | 16,236 | 16,561 | 16,892 | 17,230 | 17,575 | 17,575 | 17,575 | 17,575 | 17,575 |
| **ROW revenues ($m) - 2nd line HPRC** | **0** | **14** | **63** | **89** | **112** | **121** | **132** | **143** | **148** | **153** | **158** | **163** |
| Satraplatin pen into 1st line HRPC patients | 0% | 0% | 1% | 1% | 3% | 3% | 3% | 4% | 4% | 4% | 4% | 5% |
| Patients on Satraplatin (1st line HRPC) | 0 | 121 | 491 | 1,246 | 2,529 | 2,952 | 3,387 | 3,702 | 4,026 | 4,359 | 4,701 | 5,052 |
| Cost p/a | 15,300 | 15,606 | 15,918 | 16,236 | 16,561 | 16,892 | 17,230 | 17,575 | 17,575 | 17,575 | 17,575 | 17,575 |
| **ROW revenues ($m) - 1st line HPRC** | **0** | **2** | **8** | **20** | **42** | **50** | **58** | **65** | **71** | **77** | **83** | **89** |
| **ROW revenues (total) ($m)** | **0** | **16** | **70** | **109** | **153** | **171** | **190** | **208** | **219** | **229** | **240** | **252** |
| **W/W revenues** | **28** | **143** | **288** | **424** | **504** | **560** | **614** | **680** | **629** | **334** | **267** | **259** |

*Source: Credit Suisse estimates*

Figure 4: **Satraplatin in HRPC revenue model summary**

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| US - 2nd line HRPC | 24 | 111 | 174 | 225 | 243 | 263 | 284 | 306 | 267 | 69 | 18 | 5 |
| *% Total* | *86%* | *77%* | *60%* | *53%* | *48%* | *47%* | *46%* | *45%* | *42%* | *21%* | *7%* | *2%* |
| US - 1st line HRPC | 4 | 17 | 44 | 90 | 107 | 126 | 140 | 166 | 143 | 36 | 9 | 2 |
| *% Total* | *14%* | *12%* | *15%* | *21%* | *21%* | *22%* | *23%* | *24%* | *23%* | *11%* | *3%* | *1%* |
| **US - Total** | **28** | **128** | **217** | **315** | **351** | **388** | **424** | **471** | **410** | **105** | **27** | **7** |
| *% Total* | *100%* | *450%* | *765%* | *1108%* | *1233%* | *1366%* | *1490%* | *1658%* | *1442%* | *369%* | *94%* | *24%* |
| ROW - 2nd line HRPC | 0 | 14 | 63 | 89 | 112 | 121 | 132 | 143 | 148 | 153 | 158 | 163 |
| *% Total* | *0%* | *10%* | *22%* | *21%* | *22%* | *22%* | *21%* | *21%* | *24%* | *46%* | *59%* | *63%* |
| ROW - 1st line HRPC | 0 | 2 | 8 | 20 | 42 | 50 | 58 | 65 | 71 | 77 | 83 | 89 |
| *% Total* | *0%* | *7%* | *27%* | *71%* | *147%* | *175%* | *205%* | *229%* | *249%* | *269%* | *291%* | *312%* |
| **ROW - Total** | **0** | **16** | **70** | **109** | **153** | **171** | **190** | **208** | **219** | **229** | **240** | **252** |
| *% Total* | *0%* | *11%* | *24%* | *26%* | *30%* | *31%* | *31%* | *31%* | *35%* | *69%* | *90%* | *97%* |
| **WW - 2nd line** | **24** | **125** | **236** | **314** | **355** | **384** | **415** | **449** | **415** | **221** | **175** | **168** |
| *% Total* | *86%* | *87%* | *82%* | *74%* | *70%* | *69%* | *68%* | *66%* | *66%* | *66%* | *66%* | *65%* |
| **WW - 1st line** | **4** | **19** | **51** | **110** | **149** | **175** | **198** | **231** | **214** | **113** | **92** | **91** |
| *% Total* | *14%* | *13%* | *18%* | *26%* | *30%* | *31%* | *32%* | *34%* | *34%* | *34%* | *34%* | *35%* |
| **WW - total revenues** | **28** | **143** | **288** | **424** | **504** | **560** | **614** | **680** | **629** | **334** | **267** | **259** |

*Source: Credit Suisse estimates*

*Price:* We have assumed a US launch cost for Satraplatin of $18,000 *pa* (i.e. *ca* 5 cycles at $3,600 per cycle and comparable to other platin/cytotoxic agents) and a 15% discount on this in the ROW market.

*Patent:* The primary patents covering Satraplatin will expire in December 2008 (composition of matter patent 5,072,011) and September 2010 (use patent 5,244,919) in the US, and in January 2009 in most EU countries. However, GPC aims to use the Hatch-Waxman Act Patent term restoration to extend the US patent a further 5 years - assuming that GPC applies this to the September 2010 Method of Use Patent, this will extend the US patent to September 2015. Similarly GPC also aims to use a Supplementary Protection Certificate in European countries to extend the patent term in countries of the European Union and certain other European countries to late 2018/January 2019. We have assumed US patent expiration in September 2015 and ROW patent expiration at the end of 2018 in our revenue modelling.

## Upside from other indications for Satraplatin

As previously discussed, it is widely understood that off-label use of oncology drugs is more prevalent than any other therapeutic area, it is also clear that significant usage in off-label indications is data and experience driven. Hence, the putative indications for Satraplatin outside HRPC, will only impact its commercial potential in the relative medium term (after data readout, and more so after the indications have been added to the label). Nevertheless, it is notable that Satraplatin, as a novel oral platinum agent, has significant potential outside that of the HRPC indication, that GPC are aggressively pursuing – summarised in Figure 5.

Figure 5: **Development program for Satraplatin**

| Indication | Stage | Trial summary | Timelines |
|---|---|---|---|
| Second-line treatment of HRPC (SPARC Trial) | Registration | Ca 1000 patient study, event driven trial, of Satraplatin plus prednisone verse prednisone alone. | Positive data release September 2006. US NDA expected in Q4:06, EU submission due H1:06 |
| with Tarceva in NSCLC (1st line, inoperable, >70yrs) | Phase II | 20 centres in US and EU, Approximately 120 patients. Primary is PFS, Secondary survival, response rates and safety | Started to enrol in August 2006. |
| with Taxol in NSCLC | Phase II | Lead by SCRI in US, open label, approximately 40 patients. Primary is objective response rate, Secondary progression and overall survival | Started to enrol in December 2005. |
| with radiation in NSCLC | Phase I | 30 patient, US study to determine dose-limiting toxicities | |
| with Taxotere in advanced solid tumours (x2) | Phase I | US study to enrol up to 48 patients. EU study will have different dosing regime. | Initiated 5/7/05 |
| with Xeloda in advanced solid tumours | Phase I | Open label, approximately 24 patients | Initiated 16/5/06 |
| with Gemzar in advanced solid tumours | Phase I | | |

*Source: Company data, Credit Suisse estimates*

Outside the targeted HRPC indication, the most interesting, and potentially most lucrative, market for Satraplatin is as a radiopotentiator, in our view. Around twice the number of patients who receive chemotherapy receive radiation therapy (approximately 1m in the US annually). Numerous studies have shown that platinum drugs act synergistically with radiation therapy. However, in the clinical setting, the required co-ordination between radiographers/radiotherapy and oncologists/IV drug administration has acted as an effective barrier against chemotherapy/radiation therapy combination use. Thus, the oral formulation of Satraplatin should prove a significant advantage, in our view. It is also notable that some early phase I studies of Satraplatin with concomitant radiotherapy have provided some evidence of the use of this treatment protocol, with the normal caveats for Phase I dose ranging studies (George CM et al, *A Phase I Trial of the Oral Platinum Analogue JM216 with Concomitant Radiotherapy in Advanced Malignancies of the Chest,* Inv New Drugs 19: 303-310, 2001 and Cmelak A et al *Phase I Study of JM-216 with Concurrent Radiation in Non-Small Cell Lung Cancer and Squamous Cell Head and Neck Cancer,* Proc. ASCO, 1999 [abstract 393]).

# Valuation

We base our target price for GPC on product (Satraplatin) NPV calculations, which are summarised in Figure 6 and Figure 7.

Figure 6: **Satraplatin product DCF summary**

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| US Revenues | 24 | 111 | 174 | 225 | 243 | 263 | 284 | 306 | 267 | 69 | 18 | 5 |
| COGS (9%) | 3 | 12 | 22 | 32 | 22 | 24 | 26 | 28 | 24 | 6 | 2 | 0 |
| SGA (30% post 2010) | 35 | 50 | 61 | 67 | 73 | 79 | 85 | 92 | 80 | 23 | 6 | 1 |
| US gross profit | (14) | 49 | 91 | 126 | 148 | 160 | 173 | 186 | 163 | 34 | 9 | 2 |
| *US gross margin* | *-56%* | *44%* | *52%* | *56%* | *61%* | *61%* | *61%* | *61%* | *61%* | *50%* | *50%* | *50%* |
| EU royalties | - | 5 | 21 | 33 | 46 | 51 | 57 | 62 | 66 | 69 | 72 | 76 |
| *EU gross margin/Effective royalty rate* | *na* | *30%* | *30%* | *30%* | *30%* | *30%* | *30%* | *30%* | *30%* | *30%* | *30%* | *30%* |
| WW gross profit | (14) | 53 | 112 | 159 | 194 | 212 | 230 | 249 | 228 | 103 | 81 | 78 |
| *WW gross margin* | *na* | *37%* | *39%* | *37%* | *39%* | *38%* | *37%* | *37%* | *36%* | *31%* | *30%* | *30%* |
| Payment to Spectrum (12% of total satraplatin revenues) | 3 | 17 | 35 | 51 | 60 | 67 | 74 | 82 | 75 | 40 | 32 | 31 |
| Net GPC Revenue ($m) | (17) | 36 | 78 | 108 | 134 | 145 | 156 | 167 | 153 | 63 | 49 | 47 |
| **Net GPC Revenue (€m)** | **(13)** | **28** | **59** | **82** | **102** | **110** | **119** | **127** | **116** | **48** | **37** | **35** |
| *Effective net margin* | *-45%* | *19%* | *21%* | *19%* | *20%* | *20%* | *19%* | *19%* | *18%* | *14%* | *14%* | *14%* |
| | | | | | | | | | | | | |
| Revenue DCF | | | | | | | | | | | | |
| Years | 0 | 1.5 | 2.5 | 3.5 | 4.5 | 5.5 | 6.5 | 7.5 | 8.5 | 9.5 | 10.5 | 11.5 |
| Discount rate (at 10% pa) | 1.0 | 1.2 | 1.3 | 1.4 | 1.5 | 1.7 | 1.9 | 2.0 | 2.2 | 2.5 | 2.7 | 3.0 |
| Yearly NPV of revenue ($) | (17) | 31 | 61 | 77 | 87 | 86 | 84 | 82 | 68 | 25 | 18 | 16 |
| Cumulative NPV ($m) | (17) | 14 | 76 | 153 | 240 | 326 | 410 | 492 | 560 | 586 | 603 | 619 |
| **Cumulative Satraplatin NPV (€m) [excluding milestones]** | **(13)** | **11** | **58** | **116** | **182** | **247** | **311** | **373** | **425** | **444** | **458** | **470** |

*Source: Credit Suisse estimates*

Figure 7: **GPC Satraplatin + net cash until profitability DCF summary**

| | €m |
|---|---|
| Modelled Pharmion millstone assumptions | |
| Millstone on filing | 10 |
| Milestone on approval | 16 |
| Milestone on 5 additional indications | 32 |
| Milestone on Commercialisation | 45 |
| Cumulative | 103 |
| | |
| NPV Valuation Summary | |
| Revenue flow NPV | 473 |
| Milestone NPV | 103 |
| Total Satraplatin NPV | 573 |
| **NPV/Share** | **19.3** |
| | |
| Cash at end 2006 | 98.5 |
| Cash burn until profitability | 64.8 |
| Total NPV | 609.9 |
| **NPV/Share** | **20.4** |

*Source: Credit Suisse estimates*

We estimate an NPV of €470m for Satraplatin revenues, based on the sales estimates highlighted above, industry standard cost bases and patent protection until 2015/2018 (when, as discussed, we assume effective patent protection will expire), a 12% royalty stack to Spectrum and a 'plain vanilla' 10% discount rate. We add to this €103m NPV for milestones assumptions from the Pharmion ROW deal (which recall, involved an upfront payment of US$37.1m, committed payments of US$22m, US$30m for filing and approval plus putative further payments for additional indication approval and further milestones of up to US$180m in total – in our NPV valuation we have assumed all filing and approval milestones are paid but GPC receive only 50% of the additional indications and sales target milestones). To this cumulative NPV of €573m, or €19.2 per share, we add €46.2m which is comprised of our estimated 2006 year–end cash balance of €98.5m minus the €64.8m cash burn we estimate that GPC will utilise until profitability. This yields a "Satraplatin + net cash until profitability" value of €610m or €20.4/share, our €25 target price represents a *ca*25% premium to this.

**Companies Mentioned** *(Price as of 13 Feb 07)*
Bristol-Myers Squibb (BMY, $27.59, NEUTRAL, TP $26.00, MARKET WEIGHT)
GPC Biotech (GPCG.DE, Eu22.60, OUTPERFORM, TP Eu25.00, OVERWEIGHT)

## Disclosure Appendix

### Important Global Disclosures

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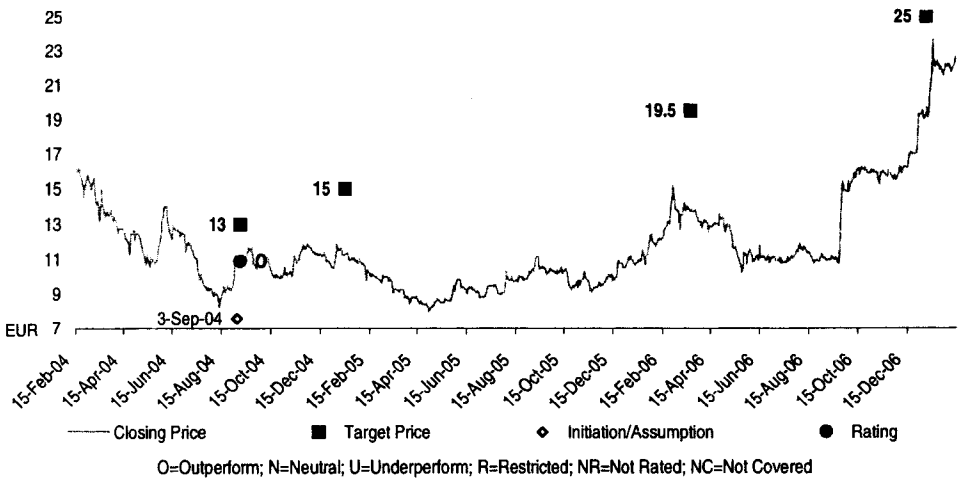
*See the Companies Mentioned section for full company names.*

**3-Year Price, Target Price and Rating Change History Chart for GPCG.DE**




O=Outperform; N=Neutral; U=Underperform; R=Restricted; NR=Not Rated; NC=Not Covered

| GPCG.DE Date | Closing Price Price (EUR) | Target Price Price (EUR) | Rating | Initiation/ Assumption |
|---|---|---|---|---|
| 03-Sep-04 | | | | X |
| 07-Sep-04 | 10.9 | 13 | OUTPERFORM | |
| 14-Jan-05 | 11.28 | 15 | | |
| 21-Mar-06 | 13.81 | 19.5 | | |
| 08-Jan-07 | 19.28 | 25 | | |

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**Neutral:** The stock's total return is expected to be in line with the industry average* (range of ±10%) over the next 12 months.

**Underperform**:** The stock's total return is expected to underperform the industry average* by 10-15% or more over the next 12 months.

**The industry average refers to the average total return of the analyst's industry coverage universe (except with respect to Asia/Pacific, Latin America and Emerging Markets, where stock ratings are relative to the relevant country index, and Credit Suisse Small and Mid-Cap Advisor stocks, where stock ratings are relative to the regional Credit Suisse Small and Mid-Cap Advisor investment universe.*

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| Global Ratings Distribution | | |
|---|---|---|
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| **Restricted** | 3% | |

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*See the Companies Mentioned section for full company names.*

**Price Target:** (12 months) for (GPCG.DE)

**Method:** We estimate an NPV of €470m for Satraplatin sales revenues flow based on the sales estimates highlighted in our research note, industry standard cost bases and patent protection until 2015/, a 12% royalty stack to Spectrum and a 'plain vanilla' 10% discount rate. We add to this €103m NPV for milestones assumptions from the Pharmion ROW deal. To this cumulative NPV of €573m, or €19.2 per share, for Satraplatin to which we add €46.2m which is comprised of our estimated year – end cash balance of €98.5m minus the €64.8m cash burn we estimate that GPC will utilise until profitability. This yields a "Satraplatin + net cash until profitability" value of €610m or €20.4/share, our €25 target price represents a ca25% premium to this.

**Risks:** Negative development news for satraplatin in various cancer indications, potential signing of US partner, awaiting regulatory filing and approval in EU & US for 2nd line HRPC indication

*See the Companies Mentioned section for full company names.*

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